

AMENDED IN ASSEMBLY JANUARY 23, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1000**

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**Introduced by Assembly Member Perea**

February 18, 2011

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An act to add and repeal Section 1367.655 of the Health and Safety Code, and to add and repeal Section 10123.205 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1000, as amended, Perea. Health care coverage: cancer treatment.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide coverage for all generally medically accepted cancer screening tests and requires those ~~plans~~ *contracts* and policies to also provide coverage for the treatment of breast cancer. Existing law imposes various requirements on contracts and policies that cover prescription drug benefits.

This bill, until January 1, 2016, would require health care service plan contracts and health insurance policies that provide coverage for cancer chemotherapy treatment to provide coverage for a prescribed, orally administered, nongeneric cancer medication, as specified. The bill would require a health care service plan or health insurer to review the percentage cost share, as defined, for oral nongeneric cancer medications and intravenous or injected nongeneric cancer medications

and to apply the lower of the 2 as the cost-sharing provision for oral nongeneric cancer medications. The bill would limit increases in cost sharing for nongeneric cancer medications, as specified. *The bill would provide, however, that no benefits are required to be provided under its provisions that exceed the essential health benefits that will be required under specified federal law.* The bill would also specify that its provisions do not apply to health care service plan contracts or health insurance policies that do not provide coverage for prescription ~~drugs~~. ~~The bill would specify that its provisions do not apply~~ *drugs* or to a health care benefit plan, contract, or health insurance policy with the Board of Administration of the Public Employees' Retirement System.

Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1367.655 is added to the Health and  
2 Safety Code, to read:  
3 1367.655. (a) A health care service plan contract issued,  
4 amended, or renewed on or after January 1, ~~2012~~, 2013, that  
5 provides coverage for cancer chemotherapy treatment shall provide  
6 coverage for a prescribed, orally administered, nongeneric cancer  
7 medication used to kill or slow the growth of cancerous cells and  
8 shall review the percentage cost share for oral nongeneric cancer  
9 medications and intravenous or injected nongeneric cancer  
10 medications and apply the lower of the two as the cost-sharing  
11 provision for oral nongeneric cancer medications. A health care  
12 service plan contract shall not provide for an increase in enrollee  
13 cost sharing for nongeneric cancer medications to any greater  
14 extent than the contract provides for an increase in enrollee cost  
15 sharing for other nongeneric covered medications.

1 (b) For purposes of this section, “cost share” means copayment,  
2 coinsurance, or deductible provisions applicable to coverage for  
3 oral, intravenous, or injected nongeneric cancer medications.

4 (c) Nothing in this section shall be construed to require a health  
5 care service plan contract to provide coverage for any additional  
6 medication not otherwise required by law.

7 (d) Nothing in this section shall prohibit a health care service  
8 plan from removing a prescription drug from its formulary of  
9 covered prescription drugs.

10 (e) This section shall not apply to a health care service plan  
11 contract that does not provide coverage for prescription drugs.

12 (f) This section shall not apply to a health care benefit plan or  
13 contract entered into with the Board of Administration of the Public  
14 Employees’ Retirement System pursuant to the Public Employees’  
15 Medical and Hospital Care Act (Part 5 (commencing with Section  
16 22750) of Division 5 of Title 2 of the Government Code).

17 (g) *Notwithstanding subdivision (a), as of the date that proposed*  
18 *final rulemaking for essential health benefits is issued, this section*  
19 *does not require any benefits to be provided that exceed the*  
20 *essential health benefits that all health plans will be required by*  
21 *federal regulations to provide under Section 1302(b) of the federal*  
22 *Patient Protection and Affordable Care Act (Public Law 111-148),*  
23 *as amended by the federal Health Care and Education*  
24 *Reconciliation Act of 2010 (Public Law 111-152).*

25 (g)

26 (h) This section shall remain in effect only until January 1, 2016,  
27 and as of that date is repealed, unless a later enacted statute, that  
28 is enacted before January 1, 2016, deletes or extends that date.

29 SEC. 2. Section 10123.205 is added to the Insurance Code, to  
30 read:

31 10123.205. (a) A health insurance policy issued, amended, or  
32 renewed on or after January 1, ~~2012~~, 2013, that provides coverage  
33 for cancer chemotherapy treatment shall provide coverage for a  
34 prescribed, orally administered, nongeneric cancer medication  
35 used to kill or slow the growth of cancerous cells and shall review  
36 the percentage cost share for oral nongeneric cancer medications  
37 and intravenous or injected nongeneric cancer medications and  
38 apply the lower of the two as the cost-sharing provision for oral  
39 nongeneric cancer medications. A health insurance policy shall  
40 not provide for an increase in insured cost sharing for nongeneric

1 cancer medications to any greater extent than the policy provides  
2 for an increase in an insured’s cost sharing for other nongeneric  
3 covered medications.

4 (b) For purposes of this section, “cost share” means copayment,  
5 coinsurance, or deductible provisions applicable to coverage for  
6 oral, intravenous, or injected nongeneric cancer medications.

7 (c) Nothing in this section shall be construed to require a health  
8 insurance policy to provide coverage for any additional medication  
9 not otherwise required by law.

10 (d) Nothing in this section shall prohibit a health insurer from  
11 removing a prescription drug from its formulary of covered  
12 prescription drugs.

13 (e) This section shall not apply to a health insurance policy that  
14 does not provide coverage for prescription drugs.

15 (f) This section shall not apply to a policy of health insurance  
16 purchased by the Board of Administration of the Public Employees’  
17 Retirement System pursuant to the Public Employees’ Medical  
18 and Hospital Care Act (Part 5 (commencing with Section 22750)  
19 of Division 5 of Title 2 of the Government Code).

20 (g) *Notwithstanding subdivision (a), as of the date that proposed*  
21 *final rulemaking for essential health benefits is issued, this section*  
22 *does not require any benefits to be provided that exceed the*  
23 *essential health benefits that all health plans will be required by*  
24 *federal regulations to provide under Section 1302(b) of the federal*  
25 *Patient Protection and Affordable Care Act (Public Law 111-148),*  
26 *as amended by the federal Health Care and Education*  
27 *Reconciliation Act of 2010 (Public Law 111-152).*

28 ~~(g)~~

29 (h) This section shall remain in effect only until January 1, 2016,  
30 and as of that date is repealed, unless a later enacted statute, that  
31 is enacted before January 1, 2016, deletes or extends that date.

32 SEC. 3. No reimbursement is required by this act pursuant to  
33 Section 6 of Article XIII B of the California Constitution because  
34 the only costs that may be incurred by a local agency or school  
35 district will be incurred because this act creates a new crime or  
36 infraction, eliminates a crime or infraction, or changes the penalty  
37 for a crime or infraction, within the meaning of Section 17556 of  
38 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California  
2 Constitution.

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